

## **Paid Family Leave Frequently Asked Questions**

### **General Questions**

#### **1. What is Paid Family Leave and when will benefit payments begin?**

Paid Family Leave (PFL) is unemployment compensation disability insurance paid to workers who suffer a wage loss when they take time off work to care for a seriously ill family member or bond with a new child. Claims are payable on or after July 1, 2004. Benefits will not be payable for leave taken prior to July 1, 2004.

#### **2. How long may a person receive PFL benefits?**

Workers may receive up to six (6) weeks of benefits that may be paid over a 12-month period.

#### **3. How does State Disability Insurance differ from PFL?**

State Disability Insurance (SDI) is also unemployment compensation disability insurance. Like PFL, it is a form of disability insurance, but SDI is different because it compensates workers who suffer a wage loss when they can't work because of their own illness or injury.

#### **4. Are payroll deductions mandatory?**

Yes, beginning January 1, 2004, employers are required to deduct the PFL contributions from the wages of employees who are covered by the SDI program. PFL is funded entirely by employee contributions.

#### **5. Who will PFL cover?**

Employees covered by SDI will also be covered by PFL. If a Voluntary Plan Insurer provides your company's disability insurance coverage, then it must also provide PFL coverage. Self-employed individuals are covered only if they participate in the SDI Elective Coverage Program.

#### **6. Are my employees covered by PFL if I am a small family business owner?**

Yes, if your employees pay into SDI, they are covered by PFL.

#### **7. Does an employee have to work a minimum number of hours or days before becoming eligible for PFL?**

No. The PFL does not require a minimum number of hours worked or days employed to qualify for benefits.

#### **8. May employees collect PFL if they work part time?**

Yes, provided they are otherwise eligible. The PFL is a wage loss protection program, which means that individuals may be entitled to a portion of the PFL benefit if they are suffering a loss of wages and meet the other PFL eligibility requirements.

#### **9. May I require my employees to take all of their PFL leave at one time?**

No. The law does not establish a minimum number of hours or days or weeks that an employee must take PFL leave. It only established the maximum leave of time of six (6) paid weeks within a 12-month period.

#### **10. Are employees required by law to use their vacation leave when collecting PFL benefits?**

The law gives an employer the discretion (option) to require an employee to take up to two weeks of earned but unused vacation leave. Employers should bear in mind; however, that this option does not relieve them of any collective-bargaining duties they may have with respect to vacation leave.

#### **11. May I require employees who have not accumulated two weeks of vacation leave to use their earned but unused sick leave instead?**

No. The PFL law does not authorize employers to require the use of sick leave in lieu of vacation.

## **Cost**

### **12. Did PFL increase the maximum wage caps for SDI?**

No. The maximum taxable wage in 2004 is \$68,829.00 and in 2005 it will be \$79,418.00. Wages in excess of these caps are exempt from PFL and SDI withholding.

### **13. Will there be an increase in the SDI contribution rate because of PFL?**

Yes. The law requires an increase of 0.08 percent (.0008) in the SDI contribution rate for calendar years 2004 and 2005. The cost of PFL will be incorporated into the base SDI contribution rate from 2006 and beyond. The withholding deductions for PFL will begin on January 1, 2004.

### **14. Will there be special forms or reporting requirements for the PFL tax?**

No. There will not be any separate tax-reporting forms for PFL. You will receive information and instructions regarding reporting requirements that cover SDI and PFL before January 1, 2004.

## **Relation of PFL the Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA)**

### **15. What is the relationship between PFL and employee leave laws?**

The FMLA and CFRA are federal and state leave laws, respectively, that allow workers to take up to 12 workweeks of unpaid leave from their jobs in a 12-month period to care for themselves or family members who are ill or children who are unable to take care of themselves. The PFL does not change either law in any way and is completely separate from them. It merely provides up to six weeks of paid benefit to workers who suffer a wage loss when they take time off work to care for others.

For more information about FMLA, visit the Department of Labor's Web site at [www.dol.gov](http://www.dol.gov).

For more information about CFRA, contact the California Department of Fair Employment and Housing at 1-800-884-1684 or visit them on the Web at [www.dfeh.ca.gov](http://www.dfeh.ca.gov).

### **16. As an employer, may I require employees to take leave under the federal FMLA and the CFRA at the same time they are receiving PFL?**

Yes, if your company is subject to the provisions of FMLA and CFRA. For additional information about the CFRA, visit the State Department of Fair Employment and Housing's Web site at [www.dfeh.ca.gov](http://www.dfeh.ca.gov).

### **17. Does PFL expand employee rights under the FMLA or the CFRA?**

No. PFL does not change either of these two laws. PFL simply provides a paid benefit.

## **Benefits**

### **18. May a person collect other state provided benefits while also collecting PFL?**

No, a worker may not receive PFL benefits if he or she is also eligible for or already receiving State Disability Insurance, Unemployment Compensation Insurance, or Workers' Compensation.

### **19. How is the PFL benefit affected when an employee receives sick leave benefits and PFL at the same time?**

Consistent with the SDI program, sick leave wages are treated as wages. The PFL benefits will be reduced by the amount of sick leave wages received, and may render the individual ineligible for benefits depending on the amount of sick leave wages received and the individual's weekly benefit amount.

## **Claim Forms**

### **20. When will EDD make PFL claim forms available and how can employees obtain a claim form?**

The claim form should be available in April 2004, but claims are only payable for benefit periods commencing July 1, 2004. Claim forms can be obtained by calling 1-877-BE-THERE or visiting EDD offices.